

Medical Device Distributors Adopt Direct-To-Consumer Model



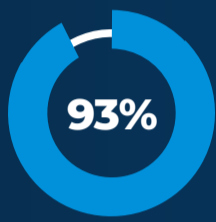
40%

of buyers shop for the **best price** when purchasing medical devices.



VALUE ADDED SERVICES

are outpacing product sales growth by **1.5X**.



93%

of **B2B buyers** would like to complete purchases online.



40%

of **consumers** would purchase medical devices for use at home.



Average **medical device** manufacturers on-hand inventory:

150 DAYS



Average **retail** manufacturers on-hand inventory:

53 DAYS

Manufacturers average on-time, in-full delivery performance.

MEDICAL DEVICE

93%

RETAIL

99.97%

Strategies For Catching Up

1

Reduce operational costs within the supply chain

- Design a network that meets business requirements while optimizing transportation and OPEX metrics
- Reduce touches and maximize storage through the use of automation and high-density storage
- Eliminate paperwork, manual operations, and increase visibility to inventory by developing a digital supply chain

2

Offer value-added services such as custom assortment building, returns processing, field compliance and tracking services, and just-in-time deliveries

- Reduce cycle-time by use of warehouse execution software (WES) and agile DC processes

3

Decrease the amount of inventory on hand by improving forecasting methods and removing/relocating "dead" inventory

4

Design an omni-channel fulfillment strategy to support DTC and just-in-time deliveries

- Employ software and technology to enable digital ordering

5

Identify underserved patient needs that can be operationalized within the distribution network

Case Study: Forward Thinking Design

To prepare for the current and future needs of its patients, a Fortna client's medical device business requirements changed. They needed to meet industry and patient requirements to increase VAS flexibility and processing, support DTC processing, and ensure customers received the right product, at the right time, all without increasing labor requirements. Fortna designs and builds distribution centers based on the unique data, operational and business requirements and financial parameters for each Client. The new DC is designed to run a single shift with no overtime and deliver the following results:

- Picking cycle time
- FTEs required
- Square footage

55% REDUCTION